

Message Text

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11

ACTION EB-11

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FM AMEMBASSY BELGRADE

TO SECSTATE WASHDC 9450

USDA WASHDC

USDOC WASHDC

INFO AMCONSUL ZAGREB

AMEMBASSY ATHENS

AMCONSUL THESSALONIKI

AMEMBASSY WARSAW

AMCONSUL POZNAN

AMCONSUL MILAN

AMEMBASSY ROME

AMEMBASSY PRAGUE

AMEMBASSY BUCHAREST

AMEMBASSY BUDAPEST

AMEMBASSY SOFIA

AMEMBASSY BERN

UNCLAS BELGRADE 2523

E.O. 11652: N/A

TAGS: BEXP, YO

SUBJECT: NOVI SAD AGRICULTURAL FAIR

1. SUMMARY. USDA-US INDUSTRIES EXHIBIT AT NOVI SAD FAIR HIGHLIGHTED BY VISIT OF PRIME MINISTER BIJEDIC AND AGRICULTURE MINISTER KUSTRAK ON OPENING DAY, AND AMBASSADOR TOON RECEPTION MAY 16. FAIR RESULTED IN FIRM CONTRACTS FOR APPROXIMATELY DOLS 1.8 MILLION OF AGRICULTURAL EQUIPMENT INCLUDING CROP SPRAYER, AIRCRAFT, AND DOLS 1.12 MILLION OF CATTLE, FOR AT TOTAL OF ABOUT DOLS 3 MILLION. EXHIBITORS ESTIMATE PROJECTED ADDITIONAL SALES ON BOTH USDA AND INDUSTRY SIDE AT ABOUT DOLS 23 MILLION OVER NEXT TWO TO THREE YEARS, INCLUDING COMPLETE JOHN DEERE AND INTERNATIONAL HARVESTER EQUIPMENT LINES FOR LEADING YUGOSLAV ENTERPRISES. ALL UNCLASSIFIED

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EXHIBITORS HIGHLY ENTHUSIASTIC ABOUT ATTRACTIVE PAVILION, SERVICES

RENDERED AND VEEY LOW COST (DOLS 20 PER SQ. METER OUTSIDE SPACE)
AND HAVE INDICATED VERY INTENTION OF PARTICIPATING IN FUTURE
FAIRS. END SUMMARY.

2. OPENING DAY CEREMONIES FEATURED A 15 MINUTE STOPOVER AT U.S.
EXHIBIT BY PRIME MINISTER BIJEDIC AND AGRICULTURE SECRETARY
KUSTRAK. PRIME MINISTER PARTICULARLY INTERESTED IN DISPLAY OF
CATTLE, AND PIPER PAWNEE AIRCRAFT. OTHER HIGHLIGHTS OF THE SHOW
INCLUDED AMBASSADOR TOON'S RECEPTION WHICH DREW AN ESTIMATED
250 PEOPLE; CONFERENCE ATTENDED BY OVER 30 REPRESENTATIVES OF
PRESS, TV AND RADIO FROM NOVI SAD, ZAGREB AND BELGRADE; SEMINAR
SESSION AND AWARDS SESSION (DESCRIBED BELOW).

3. ON BOTH AGRICULTURAL AND COMMERCIAL SIDES U.S. EXHIBIT WAS
RESOUNDING SUCCESS. FOLLOWING COMMERCIAL RESULTS WERE OBTAINED:

1. JOHN DEERE SIGNED CONTRACTS WORTH DOLS 1,330,000 (TWO CONTRACTS
WORTH DOLS 580,000 SIGNED IN U.S. PAVILION; CONTRACT WORTH DOLS
261,000 IN FINAL STAGES OF NEGOTIATION). IN ADDITION, JOHN DEERE
EXPECTS DOLS 5 TO 6 MILLION WORTH OF SALES OF COMPLETE LINES
AGRICULTURAL EQUIPMENT IN NEXT 12 MONTHS. DEERE IS ALSO NEGOTIATING
WITH A LEADING BOSNIAN KOMBINAT FOR SALE OF DOLS 10 MILLION
WORTH OF EQUIPMENT OVER NEXT 3 TO 5 YEARS.

2. HESSTON PARTICIPATED IN NOVI SAD IN ORDER TO OVERCOME NAGATIVE
IMAGE, OWING TO SERIES OF UNSATISFACTORY YUGOSLAV AGENTS.
PARTICIPATION IN NOVI SAD FAIR TANGIBLE SIGN THAT HESSTON
RENEWING EFFORTS IN YUGOSLAV MARKET - IN COMBINATION WITH A NEW
AND WELL REPUTED YUGOSLAV AGENT-AGROTECHNICA OF LJUBLJANA.
HESSTON EXHIBIT SOMEWHAT HANDICAPPED BY ABSENCE, DUE TO LATE
DELIVERY FROM U.S., OF NEW STAKHAND SYTEM. THIS WOULD HAVE BEEN
STAKHAND'S FIRST EXPOSURE IN YUGOSLAVIA. DESPITE THIS, HOWEVER,
HESSTON SOLD EVERYTHING ON DISPLAY EXCEPT ONE MACHINE. HESSTON
REPRESENTATIVE ALSO PROJECTED ORDERS WORTH ABOUT DOLS 30,000 IN
NEXT FEW MONTHS. ESTIMATE FOR NEXT 12 MONTHS DOLS 100-150,000 OF
HAY AND FORAGE MAKING EQUIPMENT. HESSTON REPRESENTATIVE STATED
HE WOULD ENTHUSIASTICALLY PARTICIPATE IN U.S. NATIONAL PAVILION
IN FUTURE.

3. INTERNATIONAL HARVESTER WHICH WAS EXTREMELY HELPFUL IN
PREPARATORY PHASE US EXHIBIT SEVERELY HANDICAPPED OWING TO
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DELAYED DELIVERY OF EQUIPMENT FROM UNITED STATES. THEREFORE, IH
REP AND AGENT, UNIVERSAL OF BELGRADE, SPENT FIRST FIVE DAYS OF SHOW
ATTEMPTING EXPEDITE ARRIVAL OF EQUIPMENT FROM RIJEKA PORT. RESUTL
WAS THAT OF SIX MAJOR EXHIBIT ITEMS ONLY TWO WERE PLACED ON SITE --
A CYCLOPLANTER AND A MODEL 1466 TRACTOR. BOTH FIRSTS AT YUGOSLAV
EXHIBIT. HOWEVER, ON LAST TWO DAYS OF FAIR, UNIVERSAL REPORTED
EXTREMELY PROMISING DISCUSSIONS WITH LARGE KOMBINAT IN MACEDONIA
FOR PURCHASE OF COMPLETE LINE WORTH DOLS 1.5 TO 2 MILLION, DEAL TO

BE FINALIZED BY JULY. IN ADDITION, UNIVERSAL REPORTED 50 TO 60 SERIOUS CONTACTS WITH LARGE KOMBINATS AND PRIVATE FARMERS DURING FAIR. UNIVERSAL STATED THAT THEY RECEIVE MORE INQUIRIES AT THIS FAIR THAN IN ANY OTHER PREVIOUS EXHIBITS AT NOVI SAD.

4. PIPER AIRCRAFT REPORTS NINE FIRM CONTRACTS FOR SALE PAWNEE FRAVE. TOTAL VALUE DOLS 325,000. ALSO FOUR SERIOUS INQUIRIES, INCLUDING ONE FROM JAT FOR PURCHASE OF UNSPECIFIED NUMBER PAWNEE BRAVES. PIEPER'S EUROPEAN REPRESENTATIVE WHO WAS ON SITE FOR FIRST THREE DAYS OF SHOW EXPRESSED GREAT ENTHUSIASM CONCERNING PAVILION AND RESULTS, AND PROMISED FULL SUPPORT IN FUTURE NOVI SAD EXHIBITS.

4. ON USDA SIDE HOLSTEIN-FREISIAN ASSOCIATION IS SIGNING CONTRACT FOR SALE OF 500 HEAD OF CATTLE WORTH DOLS 1,120,000. IN ADDITION HFAA REPORTS ERIOUS INTEREST IN ADDITIONAL DOLS 5 MILLION WORTH OF CATTLE. OTHER USDA COOPERATORS ALL MADE EXCELLENT CONTACTS. THEY WERE PARTICULARLY IMPRESSED BY THE EUROPEAN BEEF SYMPOSIUM WHICH THEY DESCRIBED AS VERY WELL ORGANIZED AND ATTENDED. FOUR OF THE U.S. HOLSTEINS SHOWN WERE AWARDED GOLD MEDALS. AGRICULTURE EXHIBITORS WERE VERY ENTHUSIASTIC ABOUT CONCEPT OF JOINT USDA/US INDUSTRY APPROACH AND SUGGESTED THAT, IN FUTURE SHOWS, THE TWO MIGHT BE MORE FULLY COORDINATED IN PRELIMINARY PLANNING STAGE.

5. MOUNTING OF U.S. EXHIBIT AT NOVI SAD REQUIRED LITTLE USG FUNDING BUT VERY CONSIDERABLE BURDEN ON POST RESOURCES AND REQUIRED MANY HUNDREDS OF MANHOURS OF LABOR BY THE EMBASSYS COMMERCIAL SECTION, AGRICULTURAL ATTACHE OFFICE, AND USIS PUBLICATIONS STAFF. HOWEVER, WE BELIEVE THAT THE RESULTS OBTAINED FULLY JUSTIFY USG RESOURCES EXPENDED.

6. WE RECOMMEND A RENEWED US INDUSTRY/USDA PRESENCE AT 1975
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NOVI SAD AGRICULTURE FAIR.

7. EMBASSY GREATLY APPRECIATES BACK-UP SUPPORT RENDERED BY SUDOC PARTICULARLY MISS BERYL COHEN IN RECRUITMENT PHASE FOR PRIVATE INDUSTRY AND INVALUABLE PRESENCE OF EXHIBITS MANAGER, ROBERT CULVER FROM COMMERCE, AND DUANE NELSON FROM USDA, FOR THREE WEEKS PRIOR TO FAIR OPENING AND DURING THE FAIR.

8. WISH TO THANK INFO POSTS FOR THEIR EFFECTIVE SUPPORT IN DISTRIBUTING BROCHURES IN THEIR RESPECTIVE DISTRICTS.
TOON

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